



Director of
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FRANCE-AFRICA: Summit Results

Little progress was made toward a settlement in Chad at the French-African Summit this week, but France will continue its search for ways to move negotiations forward. [REDACTED]

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The US Embassy in Paris reports that the delegations from nearly 40 countries that met with President Mitterrand failed to agree on an outline for a peaceful solution in Chad. Mitterrand's African affairs adviser reports that the only positive development was President Habre's agreement to talk directly with factional leaders, provided his authority as president is recognized. Habre previously had insisted he would negotiate only with Libyan leader Qadhafi. [REDACTED]

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Three radical states blocked passage of a declaration that supported Habre's appeal for help, called on the Chadians and the OAU to find a peaceful solution, and thanked France for its actions. The Embassy says the next step for the French is to promote further talks among the Africans, including the OAU and the Organization of Saharan States. [REDACTED]

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UK: Conservative Party Conference

The Tory conference next week is likely to feature a self-congratulatory reaffirmation of the party line and give assurances that the government will move forward with its program.

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Comment: Prime Minister Thatcher probably will make a point of putting an end to rumors that her health is poor and that she might step down. Her position has been strengthened by continued high public opinion ratings both for her leadership and for the Conservative Party.

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Speeches during the conference are likely to emphasize the pre-election themes of hard work, belt-tightening, and a sound defense policy. Thatcher also may reply to some of her critics, including those who took issue with her recent hardline anti-Soviet speech in Washington. She particularly wants to refute Labor leader Kinnock's charge that the Tories are dismantling the welfare state.

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Open dissent with the government's policies probably will be minimal, but the right wing may urge Tory leaders to take a tougher stand on law and order. Since a move to reinstate capital punishment was defeated in the House of Commons in July, hardliners have demanded laws that would specify minimum sentences for some types of crimes. They probably have been encouraged by recent signs that the government is leaning toward accommodating their demands.

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Differences among cabinet ministers over difficult budget cutting decisions are likely to be submerged for the duration of the conference. A recent sex scandal involving Minister of State for Trade and Industry Parkinson, a Thatcher confidant, will be ignored.

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CANADA-CHINA: Closer Relations

Ottawa evidently hopes that improved relations with Beijing will facilitate increased trade. [redacted]

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External Affairs Minister MacEachen and Foreign Minister Wu met in Ottawa this week to exchange views on a number of bilateral and international issues. They expressed concern about the increase in world tensions caused by deteriorating US-Soviet relations. The two ministers also urged Washington and Moscow not to allow the shutdown incident to disrupt the Geneva talks. [redacted]

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MacEachen and Wu also signed a bilateral agreement laying the groundwork for increased economic and technical cooperation. In addition, Wu announced that Premier Zhao has accepted an invitation to visit Canada next year. [redacted]

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Comment: Ottawa's interest in better ties probably results primarily from its desire to attain improved access to Chinese markets. The value of Canadian exports to China increased from \$736 million in 1980 to \$1 billion in 1982, with grain constituting 60 percent of the total. Canadian Wheat Board representatives are now in China, and prospects for additional grain sales appear encouraging. [redacted]

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Canada also is seeking to sell China military and high-technology equipment. The Canadian Defense Minister, who visited China last April, noted Beijing's interest in Canadian-made small arms and telecommunication satellites. [redacted]

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In addition, the Canadians are trying to expand their role in developing China's offshore energy resources. Two Canadian firms are participating in a consortium that recently was awarded contracts by China's national oil company for exploration projects in the South China and Yellow Seas. Canada hopes to increase exports of energy technology, and the agreement signed by Wu may lead to more trade in this field. [redacted]

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PLO-SYRIA: Arafat Expects Syrian Attack

[REDACTED] 25X1
[REDACTED] Arafat is convinced that Syria is about to 25X1
destroy his forces. Arafat believes the Arab states have abandoned
him and will not try to deter the Syrians. According to Arafat, he and
his troops have no choice but to stay and fight as long as possible.
Although Arafat also expressed concern about the Palestinian
civilians in Lebanon who now lack PLO protection, he refused to
consider recognizing Israel as a possible way out of his political
isolation. [REDACTED] 25X1

Comment: A Syrian military move against Arafat's forces cannot
be ruled out. President Assad might calculate that defeating the
Arafat loyalists in Tripoli would ensure Syrian control over the city,
virtually eliminate the Palestinians' freedom of action in Lebanon, and
force Arafat to cave in to demands being made by Damascus and
Fatah rebels. [REDACTED] 25X1

FRANCE-IRAQ: Possible Aircraft Delivery

Five French-piloted Super Etendard fighter aircraft left an airbase
in western France yesterday en route to Iraq, according to
unconfirmed press reports. The aircraft reportedly are to fly to an
undisclosed refueling stop on the Mediterranean, where Iraqi pilots
are to take custody of them. [REDACTED] 25X1

[REDACTED] 25X1
Comment: The Super Etendards probably will be ready for
combat within a month of delivery. They are likely to be stationed
initially at an airbase in northern Iraq, where most of France's
advisers and logistic support facilities for the Iraqi Air Force are
located. Once the aircraft are ready to begin operations over the
Persian Gulf, they will be moved to a base in southern Iraq. [REDACTED] 25X1

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USSR: Anticorruption Campaign

Soviet media announced earlier this week that Yevgeni Kondratkov, Minister of Light Industry in the Russian Republic, has been fired for embezzlement. In addition, *Izvestiya* has announced that the head of the inspection department of the Ministry of Fruit and Vegetable Industry has been dismissed because of rampant fraud and theft in the Ministry. [REDACTED]

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Comment: Kondratkov's firing is further evidence that republic ministers and deputy ministers at the national level are the primary targets of General Secretary Andropov's campaign against corruption. In most cases thus far, ministers who also are Central Committee members have not lost their jobs—a sign that Andropov is not yet prepared to challenge vested interests of high-level party officials. The firing of the fruit and vegetable industry official follows criticism of the industry at the Politburo meeting last week. The publicity given the two dismissals serves to remind managers that Andropov is serious about achieving greater administrative efficiency. [REDACTED]

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BRAZIL: Possible Compromise on Austerity Law

The US Embassy in Brasilia reports that the government is seeking to salvage important elements of a wage-restraint law—which are necessary to obtain a resumption of IMF disbursements. On Wednesday, President Figueiredo publicly conceded that the law will not survive congressional review later this month, and he called for a compromise. Congressmen in the ruling party are to initiate a substitute bill containing additional austerity measures that affect higher income groups, corporations, and officials of state enterprises. Brasilia hopes to attract the support of enough opposition deputies—as well as dissident congressmen from the ruling party—to secure passage of the compromise measure. [REDACTED]

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Comment: Some congressmen may be willing to back the new bill because it is not aimed entirely at wage earners. The Congress also can claim it has won a policymaking role after spending 19 years under tight executive control. Revelation of the government's part in drafting the substitute bill, however, could complicate efforts to obtain backing from opposition deputies. [REDACTED]

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GUATEMALA: Guerrilla Activity

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The insurgents have conducted a large number of small-scale attacks during the past two weeks, [REDACTED]

[REDACTED] There were frequent bombings and attacks on police posts in Guatemala City as well as ambushes of military patrols and takeovers of farms and small towns.

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Comment: The increase in small guerrilla actions suggests that the revolutionaries have partially recovered from setbacks last year and have reestablished an urban network. They probably will continue to emphasize spectacular bombings and hit-and-run raids during the next two weeks. The revolutionaries want to persuade the US delegation and the media that they remain a viable force able to threaten the security of the country. They are unlikely, however, to attack the Committee itself. [REDACTED]

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SEYCHELLES-USSR: Seeking Soviet Protection

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[REDACTED] A Western military attache says that a Soviet amphibious landing ship with an estimated 250 naval infantry troops aboard docked on 30 September and that some of the troops took shore leave. The USSR has at Rene's request previously sent warships for visits during times of tension. [REDACTED]

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Comment: Moscow probably believes that sending a landing ship is a cheap way to please Rene and increase its influence without much risk of having to use force to defend Rene's regime. The ship is likely to leave shortly after the President's return. [REDACTED]

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Special Analysis

ANGOLA: Coping With a Growing Insurgency

The Angolan Government, with the assistance of the Soviets and Cubans, is trying to stem the steady advances of Jonas Savimbi's UNITA insurgent forces. At the same time, it continues to be distracted by the South African presence in the south. The regime in Luanda has placed a number of provinces under military rule, and it is fortifying its garrisons in the poorly defended northern regions. Nevertheless, it probably will not be able to reverse the erosion in its security position.

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Luanda was shaken by UNITA victories during August. The loss of Cangamba, the largest garrison to fall to a direct insurgent assault, was a major setback.

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The government also is aware of UNITA's plans to extend operations into the north. Savimbi claims that this offensive will be two or three times larger than the campaign in August, which probably involved about 10,000 men.

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Luanda announced in late July that the military would assume direct rule in provinces threatened by UNITA. President dos Santos apparently believes that unifying all authority in military councils directly responsible to him will end the bickering between the Army and local security forces that has marred previous counterinsurgency efforts. Dos Santos also traveled to several threatened areas and gave major speeches stressing the government's resolve.

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The military is trying to build up its strength in the threatened regions, but it probably is having difficulty redeploying its thinly stretched forces.

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Soviet and Cuban Support

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The Soviets have strengthened air defenses in the south with the delivery of 16 SA-6 air defense missile launchers and radar-controlled antiaircraft guns. They also have delivered 12 MI-24 helicopter gunships, which will increase the government's ability to provide close air support to its troops.

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The Cubans' military contingent of 25,000 to 30,000 men is essential to the security of key towns and garrisons. They also have increased their support.

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In July, Havana reportedly sent 800 additional troops to Luanda, and it recently stated that it would send more if asked.

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Apprehensions About Pretoria

Luanda's effort to contain the insurgency is hampered by its preoccupation with the threat from South Africa. During the past year, the South Africans have conducted sweep operations in and around their buffer zone in southern Angola. Most of the roughly 30,000 Angolan and Cuban troops in that region, however, are arrayed to defend against a South African attack.

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The buildup of air defenses in the south also reflects Luanda's concern about the South Africans. The US Embassy reports that a high-level Angolan delegation to Moscow in early September asked for even more antiaircraft weapons.

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Outlook

Luanda probably will soon announce another of its periodic counterinsurgency campaigns. Its forces, however, are unlikely to be able to do much more than conduct limited forays in the vicinity of major garrisons.

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[REDACTED]

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Angola's inability to challenge UNITA on the ground might lead it to use its airpower to attack UNITA's bases near the Namibian border. Such airstrikes, however, could risk a South African response.

[REDACTED]

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The Soviet and Cuban arms shipments merely add to Luanda's already substantial advantage in firepower over the lightly armed guerrillas. They do not address the Army's principal military weakness—the poor performance of its soldiers, who are badly trained, led, and motivated. Havana could be forced to reverse its longstanding practice of avoiding direct clashes with UNITA [REDACTED]

[REDACTED] popular discontent is growing over casualties in Angola [REDACTED]

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Increased aid from Moscow and Havana nevertheless will strengthen Luanda's hold on major cities and key garrisons. UNITA in any case probably cannot challenge these strongly defended points. As long as Angolan troops bear the brunt of the fighting in the countryside, however, the insurgents seem likely to retain the initiative there. [REDACTED]

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